Local Government, Housing and Planning Committee

9th Meeting, 2021 (Session 6)

Tuesday 15 March 2022

SSI cover note for: SSI 2022/47 Non-Domestic Rates (Coronavirus Reliefs) (Scotland) Regulations 2022

SSI 2022/47

Title of Instrument: SSI 2022/47 Non-Domestic Rates (Coronavirus Reliefs) (Scotland) Regulations 2022

Type of Instrument: Negative

Laid Date: 10 February

Meeting Date: 15 March 2022

Minister to attend meeting: No

Motion for annulment lodged: No

Drawn to the Parliament's attention by the Delegated Powers and Law Reform Committee? No

Reporting deadline: 28 March 2022

Recommendation

1. The Committee is invited to consider any issues which it wishes to raise on this instrument.

Background

2. These Regulations are made by the Scottish Ministers in exercise of the powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994 and other enabling powers. The Regulations are subject to the negative procedure and come into force on 1 April 2022.

3. An electronic copy of the instrument is available at: https://www.legislation.gov.uk/ssi/2022/47/contents/made.

4. A copy of the Scottish Government's Explanatory and Policy Notes are included in **Annexe A**.

Purpose

5. The purpose of these Regulations is to provide temporary reliefs intended to counter the adverse economic impact of COVID-19 for the 2022-23 financial year only. The measures provide for a 50% non-domestic rates (NDR) relief in respect of the period between 1 April and 30 June 2022, capped at a maximum of £27,500 per ratepayer, for properties with specified uses in the retail, hospitality and leisure (RHL) sectors as well as properties used for newspaper publishing.

Delegated Powers and Law Reform Committee consideration

6. At its meeting on 1 March 2022, the Committee considered the following instrument and determined that it did not need to draw the attention of the Parliament to the instrument on any grounds within its remit.

7. A copy of the Explanatory Notes and the Policy Notes are included with the papers.

Procedure for Negative Instruments

8. Negative instruments are instruments that are "subject to annulment" by resolution of the Parliament for a period of 40 days after they are laid. All negative instruments are considered by the Delegated Powers and Law Reform Committee (on various technical grounds) and by the relevant lead committee (on policy grounds). Under Rule 10.4, any member (whether or not a member of the lead committee) may, within the 40-day period, lodge a motion for consideration by the lead committee recommending annulment of the instrument. If the motion is agreed to, the Parliamentary Bureau must then lodge a motion to annul the instrument for consideration by the Parliament.

9. If that is also agreed to, Scottish Ministers must revoke the instrument. Each negative instrument appears on a committee agenda at the first opportunity after the Delegated Powers and Law Reform Committee has reported on it. This means that, if questions are asked or concerns raised, consideration of the instrument can usually be continued to a later meeting to allow correspondence to be entered into or a

Minister or officials invited to give evidence. In other cases, the Committee may be content simply to note the instrument and agree to make no recommendation on it.

Clerks
Local Government, Housing and Planning Committee

Annexe A

Scottish Government Explanatory Note

These Regulations make provision for relief from liability to non-domestic rates in specified areas of the retail, hospitality and leisure sector, for the period of the financial year 2022-23 beginning on 1 April 2022 and ending on 30 June 2022.

Regulation 3 makes provision for how an application to obtain the relief in regulation 4 must be made.

Regulation 4 and the schedule provide for relief in respect of retail, hospitality and leisure use of lands and heritages. Regulation 4 reduces the liability of any given ratepayer to pay rates in respect of a day during the period beginning on 1 April 2022 and ending on 30 June 2022, where lands and heritages are wholly or mainly used for one or more of the purposes described in the schedule. The liability is reduced by 50% of the daily gross rates payable in respect of the lands and heritages for the day. The relief may, however, only reduce the rates liability of any particular ratepayer in respect of the period between 1 April and 30 June 2022 by a maximum of £27,500.

As per purpose above and including:

Scottish Government Policy Note

These Regulations are made by the Scottish Ministers in exercise of the powers conferred by section 153 of the Local Government etc. (Scotland) Act 1994 and other enabling powers. The Regulations are subject to the negative procedure and come into force on 1 April 2022.

Purpose

The purpose of these Regulations is to provide temporary reliefs intended to counter the adverse economic impact of COVID-19 for the 2022-23 financial year only. The measures provide for a 50% non-domestic rates (NDR) relief in respect of the period between 1 April and 30 June 2022, capped at a maximum of £27,500 per ratepayer, for properties with specified uses in the retail, hospitality and leisure (RHL) sectors as well as properties used for newspaper publishing.

Policy Background

In response to the outbreak of COVID-19, the Scottish Government introduced an automatic 100% relief for the retail, hospiality, leisure and aviation (RHLA) sectors for 2020-21 under the Non-Domestic Rates (Coronavirus Reliefs) (Scotland) Regulations 2020. The properties eligible for retail, hospitality and leisure ("RHL") relief were those used or wholly or mainly for a purpose set out in schedule 1 of those Regulations. Soft play centres, amusement arcades and amusement centres were subsequently added to the list of property uses eligible for 100% relief in 2020-21 under The Non-Domestic Rates (Coronavirus Reliefs) (Scotland) Amendment Regulations 2020.

Separately, under the Coronavirus (Scotland) (No.2) Act 2020, premises used for the production of newspapers and related news platforms were made eligible for 100% relief from 27 May 2020 for the remainder of 2020-21.

Within Schedule 1, retail, hospitality and lesiure is considered to include: bed and breakfast accommodation, camping sites, caravans and caravan sites, chalets, holiday huts, bothies, guest houses, hotels, hostels, public houses, restaurants (which would include cafés, coffee shops, bistros, fast food restaurants or snack bars), self-catering holiday accommodation, timeshare accommodation, markets, retail shops (which would include charity shops), car washes, letting agencies (providing that it is operated by a person who on 21 March 2020 was or had applied to be a registered letting agent), funeral parlours and travel agencies, hair and beauty services (for example hairdressers, nail bars, beauty salons and tanning shops), shoe repairs/key cutting, laundry services (which would include launderettes and dry cleaners), repairs of domestic electrical goods, photo processing, car hire and tool hire, galleries or centres, sports clubs, sports centres, sports grounds (which would include bingo halls, bowling greens, cricket grounds, football grounds, golf courses, miniature railways, recreation grounds and tennis courts), clubhouses, gymnasiums, museums, cinemas, theatres, music venues, recreation grounds, tourist attractions or tourist facilities (which would include standalone visitor centres), ticket offices, soft play centres, amusement arcades and amusement centres.

The Schedule did not include amongst others: financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers), other services (e.g. estate agents, employment agencies), medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors), professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors), post office sorting offices, casinos, gambling clubs and betting shops.

Schedule 2 provided for 100% relief in connection with aviation.

The Non-Domestic Rates (Coronavirus Reliefs) (Scotland) Regulations 2021 ("the 2021 Regulations") continued 100% RHLA relief for properties in the RHL sectors, where they were wholly or mainly used on a day for a purpose specified in the classes in schedule 1 of the Regulations for 2021-22; and for aviation. The list of eligible uses remained the same as 2020-21, alongside news publishing; and the requirement that a property be unoccupied on 17 March 2020 in order to qualify was removed. The 2021 Regulations also introduced a requirement that ratepayers submit an application to their local authority for the relief.

Policy Objective

These Regulations provide for RHL relief in 2022-23 which reduces by 50% the gross rates payable in respect of any day during the period beginning on 1 April 2022 and ending on 30 June 2022, in relation to an RHL property wholly or mainly used for one or more of the purposes described in the schedule (The schedule and the eligible property uses are unchanged from those in schedule 1 of the 2021 Regulations). The relief may only reduce the rates liability of any particular ratepayer for the period between 1 April and 30 June 2022 by a maximum of £27,500. It may not create a situation where the rates liability is reduced to less than nil.

Public authorities awarding financial assistance including via non-domestic rates relief must comply with the principles set out in the EU-UK Trade and Cooperation Agreement (TCA).

Consultation

Scottish Ministers have consulted such persons as they consider appropriate, namely local authorities and the Institute of Revenue Rating and Valuation.

Impact Assessments

No Business and Regulatory Impact Assessment is required.

Financial Implications

The instrument has no direct financial implications.